

Additional Guidance and Corrections/Updates to 2nd Quarter 2005 Guidance

Additional Guidance:

1. Buyer Side Waivers 2nd Quarter FY 2005:

Though buyer side waiver memos will not be issued 2nd quarter, all entities exercising waivers in 1st Quarter 2005 will also exercise waivers during 2nd Quarter. This includes: Defense Commissary Agency, Defense Contract Audit Agency, Defense Threat Reduction Agency, Defense Accounting and Finance Service and US Army Corps of Engineers.

2. Required Disclosures - Undistributed Disbursements and Collections:

All DoD reporting entities will include the following disclosure in their respective notes 1Y beginning 2nd quarter 2005, ensuring that items below in red are modified as appropriate for the particular reporting entity:

1.Y. Undistributed Disbursements and Collections

Undistributed disbursements and collections represent the difference between disbursements and collections matched at the transaction level to a specific obligation, payable, or receivable in the activity field records as opposed to those reported by the U.S. Treasury. These amounts should agree with the undistributed amounts reported on the departmental accounting reports.

The Department of Defense policy is to allocate supported undistributed disbursements and collections between federal and nonfederal categories based on the percentage of Federal and nonfederal accounts payable and accounts receivable. Unsupported undistributed disbursements are recorded in accounts payable. Unsupported undistributed collections are recorded in other liabilities. The [Entity name] [follows/does not follow] this procedure.

3. Note 16: Commitments and Contingencies:

Standard language for this note, which was discussed at the Lessons Learned Conference, will not be included for 2nd quarter 2005 reporting. Target date for Note 16 language is 3rd quarter 2005.

Corrections to Guidance Issued:

1. Attachment 2: Significant Changes for 2nd Quarter, FY 2005:

Disregard item 4 discussing Attachment 13A and mapping changes relating to the AR(M)1307. These changes are effective in April and will not impact 2nd quarter reporting.

2. Attachment 5E(A): Entity Code & Blocked Trading Partners List:

As promised at the Lessons Learned Conference, a new Attachment 5E(A), modified to add the lines of accounting, is included with this message.

3. Attachment 12A: AFS Points of Contact (POC) List:

Replace this attachment with the updated 12A included with this message. This new attachment has been updated for OUSD(C) staffing and POC changes. All entities please pay special attention, as several points of contact for financial statement review have changed.

4. Attachment 13A: Report, Footnote, or Reconciliation Mapping Changes Guidance:

Disregard this attachment. As per 1 above, these changes are effective 3rd quarter 2005.

5. Attachment 13B: Reconciliation Descriptions:

Replace this attachment with the updated Attachment 13B included with this message. This new attachment removes changes in the original Attachment 13B for Balance Sheet to AR(M)1307 reconciliation changes that are effective 3rd quarter 2005.

6. Attachment 16B: Medicare Eligible retiree Health Care Fund Advancement Recognition:

Replace this attachment with the updated Attachment 16B. The journal entries reflected in the original Attachment 16B were incomplete, as they omitted the budgetary entries.